



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

April 17, 2009

Neil Friedlander, Vice President Operations, Controls
Motion Engineering, Inc.
33 S. La Patera Lane
Santa Barbara, CA 93117

Dear Mr. Friedlander:

RE: **FINAL MONITORING VISIT REPORT** for Motion Engineering, Inc. – **ET07-0308**

Date of the Visit:	4/16/09
Beginning/Ending Time:	10:00 a.m. – 12:30 a.m.
Date of Last Visit:	3/18/08
Visit Location:	Santa Barbara
Persons in attendance:	Kay Hoffman, Quality and Configuration Specialist, Motion Engineering, Inc. Marissa Tolentino, ETP Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	3/6/07 – 3/5/09	Agreement Amount:	\$21,600
Training Start Date:	3/26/07	No. to Retain:	40
Date Training must be Completed:	12/5/08	Range of Hours:	24 – 80
Type of Trainee:	Retrainee	Weighted Ave. Hours:	30

FINAL REPORT SUMMARY:

The Agreement was executed on April 18, 2007 and training began on March 24, 2007. Your staff reported that all training was completed on September 17, 2008, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement.

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

www.etp.ca.gov
ETP (04/15/05)

According to Ms. Hoffman, of the 40 trainees specified on Payment Details Chart, Exhibit A of the Agreement, 29 trainees (73%) will complete training and the 90-day retention period. The Agreement is based on a variable reimbursement training plan. Motion Engineering, Inc. is reimbursed for the exact number of training hours provided to each trainee completing between 24 to 80 hours of Class/Lab training in Business Skills, Computer Skills, Continuous Improvement or Management Skills. The ETP Class/Lab Tracking Report shows that you have delivered 1,651.83 class/lab training hours for trainees who meet the minimum hours. This is equivalent to \$29,732.94. However, your Agreement only allows you a maximum total reimbursement of \$21,600. Therefore, assuming all other Agreement requirements are met, Motion Engineering, Inc. would earn 100% of the total ETP Agreement. Since you have been paid \$21,600 to date, you will receive an additional \$5,400.

Ms. Hoffman informed Ms. Tolentino that her opinions or comments regarding the ETP Training Program are limited since she only started with the company last May 2008. In addition, she was only assigned to close out the project, when Diana Heu, the company's contract representative left the company on February 2009. In spite of this, she found the ETP Online System and Tracking System very helpful and user-friendly. She did not have any problems with the recordkeeping since Ms. Heu provided her with sufficient information to process the final invoice. She also indicated that training is beneficial not only to the trainees but also to the company since the knowledge and skills of the employees were upgraded and they are able to utilize new or upgraded software and processes efficiently.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	35
Enrolled:	35
Dropped Following Enrollment:	6
Completed Training:	29
Complete Retention	9
In Retention Period:	0

The above information on the ETP Contract Status Report corresponds to your statistics. During this visit, Ms. Tolentino showed Ms. Hoffman how to drop three trainees to reflect your current potential earnings on the ETP Online System and the ETP Tracking System.

ATTENDANCE ROSTERS:

During this visit, Ms. Tolentino reviewed Class/Lab Rosters for 29 Job 1 trainees completing training. The Analyst found the following:

1. A Roster dated 12/17/07 for four hours of training in Business Skills/Time Management, conducted by Bill Terry doesn't have the trainer's signature. Also, the topic, Time Management is not listed on the ETP Curriculum.
2. A Roster dated 4/15/08 for eight hours of training in Business Skills/Time Management conducted by Skill Path Seminars does not have a trainer signature. The topic Time Management is not listed on the ETP Curriculum and your project staff has not reported Skill Path Seminars as a subcontractor participating in this Agreement.

Ms. Tolentino explained to Ms. Hoffman that all Class/Lab Rosters must contain the type of training and course title as identified in the approved curriculum and trainer's signature -

name signed once for each type of training. Reference: Title 22 California Code of Regulations, Section 4442 (b)]. In addition, you must request for an Agreement Modification to add topics on your ETP Curriculum and report to ETP via the ETP Online System any subcontractors providing administrative or training services in this Agreement.

Ms. Hoffman indicated that Mr. Terry is no longer with the company and it will be difficult to obtain his signature and that of the trainer from Skill Path Seminars. In addition, records show that the exclusion of these Rosters will not prevent you from earning 100% of the ETP Agreement Amount. Therefore, Ms. Hoffman agreed to delete these training sessions on the Tracking System.

The review of the Class/Lab Rosters revealed that you are in compliance with the ratio of one trainer to 20 retrainees specified in the Agreement Training Plan and trainees and trainees completed the required training hours in this Agreement.

Ms. Hoffman was informed that the above findings are based only on the training records reviewed during this visit and you should verify that all your records are in conformance with ETP requirements for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442(b)]

FINAL INVOICE:

Prior to this visit, Ms. Hoffman submitted the final fiscal closeout invoice via the ETP Online System. However, due to the discrepancies mentioned above, parties agreed to delete the invoice so Ms. Hoffman can make the necessary corrections and resubmit the final invoice.

Ms. Tolentino advised Ms. Hoffman that the Final Invoice must be submitted within 30 days from the expiration date of the Agreement and if more time was required, you should request for an extension by writing to Kulbir Mayall, Fiscal Manager in the ETP Sacramento office.

VOLUNTARY TERMINATION:

There are four trainees who voluntarily left the company during the retention period. Ms. Hoffman requested consideration for reimbursement; however, she does not have information regarding the trainees' current employer. Ms. Tolentino advised Ms. Hoffman to submit a special review request via the ETP Online System when processing the final invoice so ETP's Fiscal Unit can make a determination.

AUDIT:

Motion Engineering, Inc. will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Ms. Tolentino at (818) 755-1311 or by email at MTolentino@etp.ca.gov within ten (10) working days from the receipt of this letter.

Sincerely,

Signature on file

Wally Aguilar, Manager
North Hollywood Regional Office

Signature on file

Marissa Tolentino, Contract Analyst
North Hollywood Regional Office

cc: Kay Hoffman, Motion Engineering, Inc. (via e-mail)
David Guzman, Chief, Program Operations Division (via e-mail)
Kulbir Mayall, Manager, Fiscal and Certification (via e-mail)
Master File
Project File

Date report mailed to Contractor: 5/5/09